

Town of Clarence

Land Use Service Cost/Revenue Generation

Study

Final Report



Prepared for:
The Town of Clarence
Erie County, New York

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Executive Summary

In January 2000 the Town of Clarence commissioned Nutter Associates, Community Planning and Economic Development Consultants, and The Center for Governmental Research (CGR), Inc., both of Rochester, New York, to prepare a fiscal analysis of alternative land use planning scenarios for the future development of Clarence. Clarence is a rapidly growing, popular and attractive community in Western New York, in sharp contrast to many struggling communities in its region. The Town's 1998 population was estimated at 22,976 by the U.S. Census Bureau, having grown by 15% since the census of 1990. Clarence is made especially attractive by the presence within its town boundaries of several historical and traditional centers of development, including Clarence Hollow, Clarence Center, Swormville and Harris Hill. A major issue within Clarence is the thoughtful stewardship of the as yet largely undeveloped agricultural lands in its northern and eastern areas. During 1999, almost 300 new permits for single-family home construction were filed within the Town, and home development is rapidly advancing through lands previously in agricultural use. In addition, approximately 100,000 square feet of new retail commercial space was added along the Transit Road corridor, which forms Clarence's western boundary. By contrast only small amounts of multi-family, office commercial or industrial space are being built in Clarence each year.

The Town's purpose in commissioning the fiscal impact study of land use alternatives has been to set the stage for updating the Town of Clarence Comprehensive Plan and, subsequently, the Town of Clarence Zoning Code. The Town, through its Town Board, Planning Board and Planning and Zoning Department, is proceeding systematically and comprehensively toward these purposes. Concurrently with the fiscal impact analysis, the Town has also commissioned a traffic study of Clarence.

The basic discipline of the fiscal analysis has been to systematically compare the costs of services and municipal revenues associated with different land use patterns. During the course of the work, the Consultants worked closely with James Callahan and James Hartz, Director of Planning and Deputy Director of Planning for Clarence, and with the Planning Board.

As an initial step, the Consulting Team met with the Planning Board, gathered pertinent physical and economic data, conducted a site and area reconnaissance with the Planning Director, reviewed relevant area plans and gathered area wide statistics of value to the analysis. Subsequently, interviews were conducted with involved Department heads, affected County agencies and knowledgeable private real estate professionals.

Nutter Associates reviewed relevant Town documents such as existing and prior comprehensive plans, land use maps, zoning maps, prior studies, infrastructure data and mapping for special districts. The Study was significantly helped by the fine Geographical Information System (GIS) work, which has been accomplished by the Planning Department. In addition, past, current and

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projected population levels based on current data or estimates were reviewed. Using the GIS system, a review was made of undeveloped lands in each current zoning category and geographic sub-areas of Clarence. Growth and conservation trends affecting each sub-area were discussed with the staff, committee and interviewees. Consideration was given to the predominant types of development which have occurred during the past 5-10 years, market and assessed value trends, infrastructure changes, zoning, and lifestyle preferences as expressed by density and development patterns. A description was prepared of major land use types and growth trends by sub-areas. A build-out analysis was then prepared which showed the outcome if currently undeveloped lands were developed in accordance with current zoning and existing real estate development trends. The results of the build-out analysis, which are described below, were then used as a “baseline” against which to compare land use development alternatives prepared with the staff and committee.

The Center for Governmental Research then conducted a systematic analysis of municipal revenues and cost of service expenses by relevant land use categories and alternatives. Interviews were conducted with representatives of the Town, the Williamsville and Clarence Central School Districts (both of which are represented within the town boundaries) and Erie County to document revenues and expenditures by type, amount, locational pattern and association with land use categories, based on observed relationships and assumptions.

The Team then worked with the Town to develop four (4) alternative land use scenarios in terms of acres of land development, estimated numbers of units of residential development and square footages of estimated commercial and industrial development in future years. A twenty-year time horizon was used. The comparative fiscal consequences of the baseline (build-out) model plus the four alternative development alternatives were quantified based on the observed cost/revenue relationships and assumptions. Fiscal consequences were estimated in the areas of estimated changes in population, school enrollments, assessed value, tax levies (by general fund, highway fund and school districts), major capital expenditures and tax rate impacts. A set of computer spreadsheets was carefully developed by CGR for this purpose and was reviewed in several meetings with the Committee.

Finally, the Team concluded with the recommendation that the Town should use Development Alternative Four, which combines lower gross density residential development for currently undeveloped residential lands than currently designated by the zoning ordinance, including larger minimum lot sizes (while still encouraging higher density development through clustering) with accelerated office-commercial and industrial space development on appropriate sites. It was found that the residential portions of this recommended alternative (involving larger minimum lot sizes and lower gross densities) would require adjustment to the Town Comprehensive Plan and Zoning Code, but that overall there appeared to be sufficient land zoned for commercial and industrial uses to accomplish the objectives of the alternative. This is not to say that some mapping adjustments might not need to be made as part of the Comprehensive Plan Update,

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where specific circumstances require it, but rather that the overall amounts of land in these zoning categories appears about right.

The History and Character of Clarence

Erie County's oldest town, Clarence comprises a land area of 52.4 square miles between Tonawanda Creek and the New York State Thruway (I-90), lying between the rapidly developing high income suburban town of Amherst on its west and the more rural and country town and village of Newstead and Akron on its east. The Onondaga Escarpment traverses Clarence from east to west at its midpoint, determining important soil and drainage variations. The town's historical character is expressed in the architecture, streetscapes and "village scale" of the original hamlets of Clarence Hollow, Clarence Center and Swormsville, as well as traditional areas of Harris Hill, and the open fields, farmlands and creeks along its eastern and northern edges.

Its development has grown along the principal traffic arteries of Main Street (NYS Route 5 connecting Buffalo and Batavia) through Harris Hill and Clarence Hollow, Transit Road (NYS Route 78) as a major regional commercial street along its western boundary, Sheridan Drive (Route 324) connecting with Amherst and the Tonawandas to the west and Goodrich Road and Clarence Center Roads as connecting roads to Clarence Center in the middle of the town. Major suburban growth began during the 1950's on sites adjacent to the traditional centers and has concentrated near the principal arteries, leaving some 37 square miles of the town's area within an agricultural zoning district.

There are three principal sub-areas of Clarence: (1) a southern area, basically from Greiner Road south, focused on Harris Hill and Clarence Hollow, with major patterns of residential, commercial and industrial uses across the full width of Clarence between Amherst and Newstead, (2) a central area generally from Greiner Road north to County Road, with increasing development between Transit Road and Clarence Center, and (3) a predominantly open and rural northern and eastern area which includes floodplains along Tonawanda Creek and an agricultural district with farming and lower density residential development along the town's northern and eastern edges.

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The Build-Out (Baseline) Analysis

The Build-Out Analysis has been prepared as part of the Town of Clarence Land Use Service Cost/Revenue Generation Study to provide a perspective on how the town would grow if current zoning and development trends continue unchanged. The goal of the Land Use Study is to provide the town with fiscal guidance on the best land use alternatives as Clarence begins its Comprehensive Plan Update. The purpose of the overall effort is to implement the community goals which have been established by the Town for its “Master Plan 2015 – Preserving Our Heritage” program. In addition to preserving and enhancing the economic health of Clarence, these include preserving the town’s open character, promoting the historic character of Clarence Hollow, Swormville and Clarence Center, developing an official map for infrastructure (such as sewer) improvements, maintaining strong recreation and park facilities, maintaining a quality school system, protecting existing residential areas, providing consistent land use regulation and coordinating planning on a regional basis.

The Build-Out Analysis summarizes the historical and current growth of town population, development trends and land use patterns by type of development and zoning district, existing vacant buildable land by zoning district classification, existing approved but unbuilt subdivision units, development densities based on zoning requirements as well as trends and preferences, and the amounts, types and time periods of land use development which would most likely occur if current land use, zoning and trends continue.

The resulting build-out, as described in Table 5, indicates a total of 1,711 approved unbuilt subdivision units (both single and multi-family, including some manufactured housing) plus a potential for 4,035 additional housing units and up to 6,275,000 square feet of additional commercial (office and retail) and industrial space. It is important to note that the analysis is intended to provide a perspective based on current trends and zoning. It is not a prescription of actual or most desirable future development, but rather a necessary input and reference for the Land Use Service Cost/Revenue Generation Study and subsequent Comprehensive Plan Update. By considering the fiscal and planning consequences of existing as well as alternative land use approaches, the community can achieve great benefits both economically and environmentally. The findings of the Land Use Study and the goals, policies and implementation recommendations (including zoning ordinance updating) of the Comprehensive Plan Update offer the town and its citizens a means of adjusting and improving the land use pattern and future of Clarence.

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Population and Development Trends

Table 1 presents population and density change within the 53 square mile area of the Town of Clarence from 1900 until the present, based on U.S. Census enumerations and estimates.

Table 1
Town of Clarence Estimated Population Growth & Change, 1900-1998

| Year | Population | % Change From Previous Decade | Density - Persons Per Sq. Mile |
|-------------|-------------------|--|---|
| 1900 | 2998 | | 57 |
| 1910 | 2991 | 0 | 57 |
| 1920 | 2660 | (11) | 51 |
| 1930 | 3208 | 21 | 61 |
| 1940 | 4426 | 38 | 84 |
| 1950 | 6331 | 43 | 121 |
| 1960 | 13267 | 109 | 253 |
| 1970 | 18168 | 37 | 347 |
| 1980 | 18146 | 0 | 346 |
| 1990 | 20041 | 10 | 382 |
| (1) | 21766 | n/a | |
| (2) | 22210 | n/a | |
| (3) | 22474 | n/a | |
| (4) | 22751 | n/a | |
| (5) | 22976 | 15 (1990-98) | 438 |

Source: U.S. Census Bureau

Clarence is now the most rapidly growing suburban town in Erie County. Based on United States Census Bureau 1990 census data and annual population estimates between 1994 and 1998, Clarence's population grew from 20,041 in 1990 to an estimated 22,976 in 1998, an increase of 15% over 8 years, or an average of approximately 367 net additional persons per year between 1990 and 1998, with some 167 per year during the past three years. The same Census Bureau estimates show the other suburban municipalities of Erie County either losing population or registering very small gains. While these official federal estimates may be somewhat low, they provide a conservative baseline for describing the town's population change.

Table 2, Property Assessment Information – January 2000, indicates that of the total assessed property value of the Town of Clarence, approximately \$1,805,741,000, 74% of the total, or \$1,334,339,200, is residential, while 14% is commercial and only .05% is industrial.

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Table 3 indicates the number of single-family home building permits issued by year from 1990 to 1999, with an average of 215 per year during this period.

Table 3
Annual Single-Family Building Permits Issued by the Town of Clarence, 1990-1999

| <u>Year</u> | <u>Single-Family Permits</u> |
|--------------|------------------------------|
| 1990 | 185 |
| 1991 | 154 |
| 1992 | 205 |
| 1993 | 235 |
| 1994 | 217 |
| 1995 | 209 |
| 1996 | 228 |
| 1997 | 190 |
| 1998 | 244 |
| 1999 | 285 |
| Total | 2,152 |
| Average/Year | 215 |

Source: Town of Clarence

Interviews with knowledgeable public officials and real estate professionals were used to estimate current general development trends for different land uses in Clarence, as summarized in the following Table 4. While these estimates are not based on a full market analysis, they are viewed as reasonable estimates of current development for the purpose of the Build-Out Analysis.

Table 4
Town of Clarence Current General Development Trends by Land Use

| <u>Land Use</u> | <u>Est. Amount of Current Annual Development</u> |
|---------------------------|--|
| Single-Family Residential | 285-300 units |
| Multiple-Family Units | 30-40 units |
| Commercial | |
| Office | 30-40,000 sq. ft. |
| Retail | 80-90,000 sq. ft. |
| Industrial | 10-15,000 sq. ft. |

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Source: Nutter Associates

Development trends in Clarence are strongly influenced by development in adjacent portions of the region, especially within Amherst, Lancaster and other municipalities to the west and south. Interviews confirm that a sizable portion of the market for single family houses in Clarence, perhaps as high as 65% of units built, comes from persons residing in inner ring metropolitan communities who desire to build larger homes on comparatively larger and less expensive lots with access to the highly-regarded Clarence Central School District and lower real estate taxes. In addition, Amherst in particular is more highly developed than Clarence, its population is now declining, and the remaining lots available in Amherst for single-family home development include many which are harder and more costly to develop. Amherst has also become a major office space and business park center within the region. Pyramid Brokerage Company reports that Amherst has a total of almost 3.5 million square feet of existing office space, of which some 1.8 million square feet is Class A space renting for at least \$18 per square foot and with vacancy rates of 7% or less. A large amount of “flex space”, for mixed industrial or office use within the same development, has also been built in these communities. Clearly, Transit Road, which is the boundary between Amherst and Clarence, serves as a major retail center for all of these communities, and the Clarence side of the road is experiencing rapid development in proportion to its market area.

The estimated development trends shown for Clarence are current, not future, trends, based on the experience of the past few years. Depending on the progress of the regional economy, it is possible, and perhaps even probable, that these trends may accelerate as the inventory of vacant lands in adjacent towns is filled up.

In addition to trends pertaining to new development on vacant buildable land, Clarence is experiencing a revitalization of its historic hamlets, often taking the form of new small businesses renovating historic buildings for new use.

Utility Services in Clarence

The New York State Electric & Gas Corporation (NYSEG) provides electric transmission and distribution service throughout Clarence. National Fuel provides natural gas service. The Town is served by municipal water facilities throughout its area. The Town has recently entered into an agreement with the Erie County Water Authority to manage water service within Clarence. There is only limited sewer service in the town, serving only 9% of the town area. Erie County Sewer District No. 5 (ECSD5) serves the Transit Road area of the Towns of Amherst and Clarence, including an area of 3,062 acres within Clarence. Sewage from ECSD5 is transported to the Town of Amherst's treatment facility. The District is managed by Erie County's Division of Sewerage Management, a division of the Erie County Department of Environment and Planning. The Sisters of St. Joseph, Brothers of Mercy, Clarence Research

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Park and Spaulding Lake subdivision properties are privately sewered. Clarence Center (Clarence Town District No. 2, serving an area of 1,232 acres) is served by contract with Sewer District No. 5. Future plans are to serve Clarence Hollow with sewer service, and to activate several other town sewer districts.

Permitted Zoning Uses and Densities

Clarence's previous and current master plan updates were reviewed to understand past and current land use policy, which has consistently been an extension of new development outward from the historic centers and along the principal traffic arteries. The Town Zoning Ordinance (Chapter 30 of the Town Code) was reviewed to identify the size and location of existing use districts as well as uses and densities permitted within each.

Vacant Lands by Zoning District Classification

Table 5, which summarizes the Build Out Analysis, identifies each of the ten (10) mapped use districts included in the current Zoning Ordinance and identifies the Maximum Densities established within each. The Department of Planning and Zoning using its Geographic Information Systems mapping program identified total acreage and vacant acreage for each district.

Subdivision development in Clarence over the past 10 years was reviewed, identifying individual projects by numbers of units developed each year. Subdivision units were further identified with specific zoning districts (Residential A, Residential B or Planned Unit Residential Development - PURD) and approved but as yet unbuilt units were identified for each district. These approved but unbuilt units are shown in the "Approved Subdivision Units" column of Table 5, along with 428 approved apartment units within the Multiple Family Residential District and 250 units of manufactured housing units within the Commercial District.

Separate analyses were prepared for the portions of the town located within the Williamsville School District and the Clarence Central and Akron School Districts.

Development Densities Based on Experience

Density calculations were made reflecting actual densities approved over the past 10 years for projects within the Residential A and Residential B districts. These densities actually approved are lower than the densities permitted in the Zoning Ordinance due to consideration of sensitive natural site conditions, like floodways, wetlands or wooded areas, reservation of right-of-way

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for roads and utilities, during site plan review, application of other regulations, other community design considerations and developer and market density and site design preferences. Similarly, “floor area ratios”, or the total amounts of building floor area developed per a given amount of commercial or industrial land area, were estimated for the various commercial districts and the industrial district. The estimates were reviewed for realism with the Department of Planning and Zoning.

Calculation of Full Build-Out Potential

The density factors were then applied to the additional vacant acreage identified for each zoning district, resulting in the “Estimated Additional Residential Units on Vacant Acreage” and “Estimated Additional Commercial or Industrial Square Footage” estimates in Table 5. The calculations used in these estimates are described in the notes attached to Table 5, including the calculation of hypothetical “full build-out” periods based on the development trends identified through reviewing building permits and approved subdivisions. The full build-out periods range from 12 years for Residential A to over 40 years for the Major Arterial and Commercial districts.

Land Use Development Alternatives

Based on the forgoing analysis and discussion with the Planning Board and staff, four land use development alternatives were prepared, as follows:

The Baseline Alternative is the result of the build-out analysis based on existing zoning and the existing pace of real estate development. For the purpose of comparison with the four land use development alternatives, the residential total includes all lands currently zoned Residential A, Residential B, Multiple Family Residential and PURD. The commercial total includes all lands currently zoned Restricted Business, Neighborhood Business District, Commercial & Major Arterial.

Alternative #1 is the “Alternative Zoning Map Option 1” as developed by the Planning Board and Department. It reallocates 15,269 acres from the existing agricultural zone to two residential zones, a Rural Residential Zone with a minimum lot size of .75 acres, and a Single-Family Residential Zone with a minimum lot size in the .28-.34 range. Commercially zoned land is maintained at approximately its present total. Industrially zoned land is reduced by approximately 500 acres. This alternative emphasizes the full residential/single family home development of the Town of Clarence.

Alternative #2 uses the same residential development assumptions as in Alternative #1 but adds to that enhanced commercial and industrial development, focusing on new office park, flex-space and planned industrial park types of development, with a faster pace of development, and

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higher value development, within commercial and industrially zoned lands, possibly creating office park and industrial park zones for these purposes. The enhanced commercial/industrial development would be accomplished through accelerated marketing and promotion as well as the natural eastward and northward expansion of these markets from Williamsville/Amherst and Lancaster.

Alternative #3 enhances open space preservation, including the preservation of active farmland, by creating an agricultural/conservation district with 5 acre minimum lot sizes, and suggests the use of Purchase of Development Rights as a tool for this purpose, and also proposes larger minimum lot sizes (and, consequently, lower gross densities, while still encouraging higher density development where appropriate through clustering) on other vacant lands designated for future residential use. Alternative #3 uses the same land use pattern as Alternative #1 but applies larger lot sizes to these areas.

Alternative #4 combines the lower density residential development of Alternative #3 with the enhanced commercial and industrial development of Alternative #2. Alternative #4 was developed by the Team at the request of the Planning Board after the Board and staff had the opportunity to review the Baseline and Alternatives 1-3. As is mentioned in the Executive Summary and Conclusions sections, this Alternative is the recommended fiscal alternative because, on balance, it achieves the most desirable mix of municipal revenue and cost of services.

Land Use statistics for the Baseline and Alternatives 1-3 are described in Table 7. Alternative #4 uses the same land use pattern and residential densities as in Alternative #3 but with enhanced commercial, industrial and flex space development as in the case of Alternative #2. Statistical details (number of residential units, square footages of commercial, industrial and flex space) and estimated fiscal consequences for each alternative are detailed in the following section, entitled “Fiscal Impact of Land Development Alternatives”, prepared by CGR.

Conclusion

The Study concludes that the Town of Clarence should use Land Use Development Alternative #4 as a fiscal guideline for its Comprehensive Plan Update. Alternative #4's somewhat lower densities of residential development, coupled with its enhanced commercial and industrial tax base development, will have the most favorable balance of cost of services and the municipal revenues which must pay for these services. In addition to this fiscal consequence, Alternative #4 has the significant benefit of moderating the pace of land development within Clarence and better preserving its green and open environment for the generations to come. With regard to preserving the town's historical character, as expressed equally by its farmlands and woodlands and by the architectural character of Clarence Center, Clarence Hollow, Swormville and Harris Hill, a portion of the enhanced commercial development recommended by Alternative #4 can take the form of sensitive adaptive reuse of existing buildings in these centers, thus abetting the preservation of the unique inherited character of Clarence.